

THIS AGREEMENT, dated as of February 6, 1975, by and between ACF INDUSTRIES, INCORPORATED, a New Jersey corporation (hereinafter called the "Manufacturer"), and The Pittsburgh & Lake Erie Railroad Company, a Delaware corporation (hereinafter called the "Vendee"),

RECORDATION NO. 7838

Filed & Recorded

FEB 14 1975 - 2 55 PM

W I T N E S S E T H :

INTERSTATE COMMERCE COMMISSION

The Manufacturer and the Vendee have heretofore entered into the Purchase Agreement (hereinafter called the "Purchase Agreement") referred to in Section 1 of Schedule A hereto attached (hereinafter called "Schedule A") whereunder the Manufacturer has agreed to construct and deliver to the Vendee at the delivery point specified in Section 2 of Schedule A and the Vendee has agreed to accept and pay for the Railroad equipment (hereinafter called the "Cars") described in Section 3 of Schedule A; and

Inasmuch as the Vendee contemplates no third party financing arrangements for acquisition of the Cars and the Vendee does not wish to pay for the Cars prior to shipment of the Cars from the Manufacturer's plant, the Vendee (in order that it may use the Cars during the time between shipment from the Manufacturer's plant and payment of the purchase price 10 business days after delivery, acceptance and invoicing of the Cars) has requested the Manufacturer to give the Vendee temporary custody and possession of the Cars on completion, solely as a bailee of the Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

1. The Manufacturer agrees to deliver the Cars to the Vendee and the Vendee agrees to accept the Cars from the Manufacturer at the delivery point above referred to. The rights of the Vendee hereunder in respect of each Car shall commence on the date of acceptance of such Car and end on the earlier of March 20, 1975, or the date of payment of the purchase price of such car. When the purchase price of all the Cars has been paid, this Agreement shall automatically be terminated without further action by or notice to any party concerned. On delivery of each Car to the Vendee the Vendee will assume the responsibility and risk of loss with respect to such Car.

2. After the Vendee's representative finds that each Car upon completion has been built in accordance with the requirements of the Purchase Agreement, he will execute and deliver to the Manufacturer a certificate of inspection certifying to that effect. Upon delivery of each Car to the delivery point, the Vendee's representative will execute a certificate of acceptance acknowledging the receipt of delivery of each Car under this Agreement. Title to the Cars shall remain in the Manufacturer and the Vendee's right and interest therein is and shall be solely that of possession, custody, and use as bailee under this Agreement. Transfer of title shall be effected only at the time of payment. ~~The Vendee, without expense to~~ The Manufacturer, will promptly cause this Agreement to be filed with the Interstate Commerce Commission

for recordation under Section 20c of the Interstate Commerce Act. In addition, the Vendee shall do such other acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

3. The Vendee agrees that it will permit no liens of any kind to attach to the Cars; and that it will

(a) indemnify and save harmless the Manufacturer from any and all claims, expenses, or liabilities of whatsoever kind; and

(b) pay any and all taxes, fines, charges, and penalties

that may accrue or be assessed or imposed upon the Cars or the Manufacturer because of its ownership or because of the use, marking, operation, management or handling of the Cars by the Vendee during the term of this Agreement. The Vendee's obligations contained in this paragraph shall survive the termination of this Agreement by mutual agreement or otherwise.

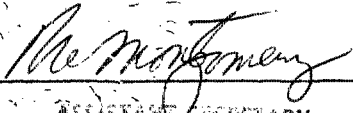
4. The Vendee will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term of this Agreement. Upon the expiration or other termination of this Agreement, other than by payment of the purchase price, the Vendee will surrender and deliver up the Cars in good order and running condition to Manufacturer free of all charges at the point designated by the Manufacturer.

5. Prior to the delivery of each Car to the Vendee it will be numbered with a car number as set forth in Section 3 of Schedule A, and there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car in letters not less than one inch in height the words set forth in Section 5 of Schedule A.

6. The Vendee agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to the Vendee of the Cars, as contemplated by this Agreement, shall not relieve the Vendee of its obligations to accept, take, and pay for the Cars in accordance with the terms of the Purchase Agreement, or impair any of the Manufacturer's rights under the Purchase Agreement, which is by reference made a part of this Agreement as fully as though expressly set forth herein.

Attest

ACF INDUSTRIES, INCORPORATED



ASSISTANT SECRETARY

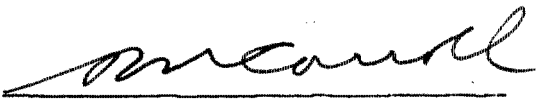
By



TREASURER

Attest

The Pittsburgh & Lake Erie Railroad Co.



Secretary

By



PRESIDENT

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 7th day of February, 1975, before me personally appeared W. C. ANDERSON, to me personally known, who, being by me duly sworn, says that he is TREASURER of ACF Industries, Incorporated, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Edwin F. Meyer

EDWIN F. MEYER
NOTARY PUBLIC, State of New York
No. 30-7917803
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1976

STATE OF Pa.)
) SS.:
COUNTY OF Allegheny)

On this 12th day of February, 1975, before me personally appeared H. G. Allyn, Jr. to me personally known, who, being by me duly sworn says that he is President of The Pittsburgh and Lake Erie Railroad Company that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Donna R. Smocer

DONNA R. SMOCCER, Notary Public
Pittsburgh, Allegheny Co., Pa.
My Commission Expires
February 3, 1976

SCHEDULE A

SECTION 1. Purchase Agreement

Pittsburgh & Lake Erie Purchase Order 6-18-1 of
June 5, 1974
Pittsburgh & Lake Erie Letter of June 18, 1974
ACF letter of July 23, 1974

SECTION 2. Delivery Point

Huntington, West Virginia

SECTION 3. Railroad Equipment

50 - 100 Ton CF-2971 Center Flow Covered
Hopper Cars, lettered P&LE and numbered 1800-1849,
inclusive.

SECTION 4. Purchase Price

\$21,050.00. per car F.O.B. Huntington, West Virginia

The Purchase Price is subject to adjustment in accordance
with the Purchase Agreement.

SECTION 5. Markings on Cars

None